Equity Shares transferred to the Employees if such Equity Shares are not held in a dematerialized form. The Parties agree that upon the completion of transfer, the Equity Shares transferred to the Employees pursuant to this Clause 5.6 shall not be subject to any restrictions in this Agreement, whether by way of a voting arrangement or an right of first refusal.

7.2 Principal(s) and Strategic Partner's Representations, Warranties and covenants

Article 7.2 (e) Each of the Strategic Partner and the Principal(s) shall not retrench any Employees of the company for a period of 1 (one) year from the Closing Date other than any dismissal or termination of Employees of the Company from their employment in accordance with the applicable staff regulations, standing orders of the Company and applicable Law; provided however, that after the aforesaid period of 1 (one) year no retrenchment of an Employee shall be undertaken unless the affected Employee is given benefits that are equal to or exceed the Maximum Benefit;

(f) Subject to sub-clause (e) above any restructuring (including any reduction) of the employee force of the company shall be implemented in the manner recommended by the Board and in accordance with applicable Laws and the Strategic Partner and Principal (s) shall ensure that the Company offers to the Employees, an option to voluntarily retire on terms that are not, in any manner less favourable than Maximum Benefit;

Maximum Benefit defined in Article 1.1 reads as Maximum Benefit shall mean employees benefits which are the higher of (a) the terms of the voluntary retirement scheme as provided by the Department of Public Enterprises (Government of India) guidelines and applicable to the Company on the Closing Date or (b) the terms of the voluntary retirement scheme as applicable to the Company on the Closing Date".

Disinvestment of ITDC hotels

323. SHRI A VIJAYA RAGHAVAN: Will the Minister of DISINVESTMENT be pleased to state:

(a) whether Government have taken any step to disinvest the hotels under ITDC;

(b) if so, the details thereof;

(c) the list of hotels which are to be given to private parties and the details of the bids received, so far; and

(d) the details of the total amount collected through disinvestment of ITDC Hotels?

THE MINISTER OF DISINVESTMENT (SHRI ARUN SHOURIE): (a) and (b) The process of disinvestment in India Tourism Development Corporation Limited (ITDC) was taken up following acceptance of the recommendations of the Disinvestment Commission by the Government. The restructuring/disinvestment plan in respect of the hotel properties of ITDC is as under:—

(i) Four hotel properties owned by ITDC, viz., Hotel Ashok Delhi, Hotel Samarat Delhi, Hotel Ashok Bangalore and Lalitha Mahal Palace Hotel, Mysore to be demerged into a separate company with the existing shareholding pattern as that of ITDC and given on long-term lease-cum-management contract basis.

(ii) Each of the 22 ITDC owned hotel properties to be demerged into separate shell companies for the limited purpose of disinvestment of Government equity. Each demerged company would have a shadow shareholding pattern as that of ITDC *i.e.* Government (89.97%), the Indian Hotels company Limited (around 10%) and the employees & others (around 0.03%). Each of these properties would be transferred to the shell companies after a purchaser for the particular property is selected through the disinvestment process and 99.97% sharehodings in these companies would be disinvested in favour of the purchaser so selected.

(iii) Regarding the hotels run by ITDC in Joint Ventures with the State Governments, the Disinvestment Commission made recommendations for 100% disinvestment for Ranchi Ashok Bihar Hotel Corporation and Utkal Ashok Hotel Corporation only. Decision regarding disinvestment in respect of the Joint Venture hotels including these two hotels would be taken after discussion and settlement of the issues with the State Governments.

(c) and (d) The list of hotels which have been taken up for disinvestment so far, details of the bids received and amounts received/to be received are indicated in the Statement.

Statement

List of hotels taken up for disinvestment with details of bids etc.

(1) Eight (8) hotels of ITDC were taken up for disinvestment / restructuring in the 1st tranche. Advertisement for these hotels was issued in December 2000. Financial Bids from the shortlisted Qualified Interested Parties were invited in November 2001. The position regarding these hotels is indicated below:—

Hotel	Purchaser	Bid Amount (Rs.)	Date of completion of transaction / remarks
Ashok Hotel New Delhi (Lease-cum-Management) Contract)	—	—	There was no bidder for this Hotel even after two rounds of bidding in November 2001 and January 2002. Decision has been taken to invite fresh Expressions of Interest through advertisement.
Ashok Bangalore (Lease-cum-Management Contract)	M/s Bharat Hotels Ltd.	4,11,00,000.00— Minimum Guaranteed Annual Payment (MGAP). 39,41,15,415.00— Upfront amount (Upfront Amount inclusive) of payments to AAI. Security Deposit for 2 years; 50% of discounted MGAP for 30 years; MGAP for 4 months from Dec 2001 to March 2002 and Business Transfer Consideration for both Hotel and Airport Restaurant)	29.11.2001
Agra Ashok	M/s. Mohan Singh	3,93,25,320.00 GOI to receive Rs. 3,53,92,672.94 IHCLto receive Rs. 39,32,647.06 +(7,27,680 to Agra Cantonment Board)	7.2.2002

Hotel	Purchaser	Bid Amount (Rs.)	Date of completion of transaction / remarks
Madurai Ashok	M/s. Sangu Chakra Hotels Private Limited	5,48,59,877.00 GOI to receive Rs. 4,93,73,728.79 IHCL to receive Rs. 54,86,148.21 +(3,91,144 to Corportion of Madurai)	31.1.2002
Bodhgaya Ashok	M/s Lotus Nikko Hotels	2,01,04,813.00 GOI to receive Rs. 1,80,94,272.88 IHCL to receive Rs. 20,10,540.12	29.11.2001
Hassan Ashok	M/s. Malnad Hotel and Resorts (P) Ltd.	2,51,37,200.00 GOI to receive Rs. 2,26,23,406.45 IHCL to receive Rs. 25,13,793.55 +(62,800 to Hassan Municipality)	29.11.2001
*TBABR, Mamallapuram	G.R. Thanga Maligai (P) Limited	6,80,79,300.00 GOI to receive Rs. 6,12,71,170.81 IHCL to receive Rs. 68,08,129.19	1.2.2002
Ashok Manali	—	—	There was no bidder for this Hotel. Advertisement inviting fresh EOIs has been issued for taking up this hotel alongwith the hotels to be disinvested in the 3rd tranche.

2. Nine (9) hotels of ITDC were taken up in the 2nd tranche (advertised in February 2001). Financial Bids from the shortlisted Qualified Interested

Parties (QIPs) were invited in January 2002. The position in respect of these 9 hotels is indicated below:—

Hotel	Purchaser	Bid Amount (Rs.)	Date of completion of transaction / remarks if any
Lodhi Hotel New Delhi	M/s Silverlink Holdings Ltd.	76,22,01,925.00*	Transaction to be completed
Qutab Hotel, New Delhi	M/s Sushil Gupta and Consortium	35,67,54,179.00*	-do-
Laxmi Vilas Palace Hotel, Udaipur	M/s Bharat Hotels Limited	7,52,00,000.00 GOI to receive Rs. 6,76,79,779.97 IHCL to receive Rs. 75,20,220.03	26.02.2002
Hotel Kanishka & Hotel Indraprastha, New Delhi	—	—	These two hotels were taken up together. There was no bidder. Decision has been taken to invite fresh Expressions of Interest through advertisement after sorting out the issues regarding lack of bidders' response.
Hotel Janpath, New Delhi	—	—	There was no bidder. Decision has been taken to invite fresh Expressions of Interest through advertisement after sorting out the issues regarding lack of bidders' response.
Hotel Ranjit, New Delhi	—	—	-do-
Hotel Varanasi Ashok	—	—	-do-
Samrat Hotel, New Delhi (Lease-cum-Management	—	—	Financial bid for this hotel was not invited. Decision has been taken to invite Contract) fresh Expressions of Interest (EOIs) through re advertisement. Bids will beinvited from the existin Qualified InterestedParties as well as thenewqualified parties who would be submitting their EOIs against fresh advertisement.

*Note: The amounts to be realised by the Government/MCD/L&DO from the sale of shares of Qutab Hotel and Lodhi Hotel are as under:—

Realisation to:—	Qutab Hotel (Rs. crores)	Lodhi Hotel (Rs. crores)
Government for 89.97% equity	10.99	40.28
MCD (on account of outstanding property taxes and service charges)	16.14	1.61
L&DO (towards half the unearned increase in the value of the leased land)	7.32	26.85
L&DO (towards damage charges and penalty for unauthorised construction)	—	3.00
TOTAL	34.45**	71.74**

**[The value of 10% share capital to be realised by the Indian Hotel Company Limited (Rs. 1,22,06,607.00 for Qutab Hotel and Rs. 4,47,58,629.00 for Lodhi Hotel) have not been included in the above]

Besides the above realisations, the L&DO will receive Annual Rent and Security Deposit as under:—

(a) Qutab Hotel	Annual rent @ 2.5% of value assigned to Land (rent to increase by 30% every 10 years)	Rs. 36,61,875/-
	Interest free refundable security deposit equivalent to 3 years rent (deposit to increase by 30% every 10 years)	Rs. 1,09,85,625/-
(b) Lodhi Hotel	Annual rent @ 2.5% of value assigned to land (rent to increase by 30% every 10 years)	1,34,27,196/-
	Interest free refundable security deposit equivalent to 3 years rent (deposit to increase by 30% every 10 years)	Rs. 4,02,81,588/-

3. The realisation accrued from the sale/management lease of the hotels of ITDC *vis-a-vis* the returns which the Government was realizing prior to sale is given in the following table.

Sr. No	Name of the Hotel	Paid up Share Capital	Equity Sold	Realisation	Interest on 10% deposit annually	Dividend received by Govt. on equity sold average of last 8 years up to 2000
ITDC						
a)	Hotel Agra Ashok	1.83	100%	3.93	0.39	Loss Making#
b)	Hotel Bodhgaya	0.47	100%	2.01	0.20	-do-
c)	Hotel Hassan Ashok	0.22	100%	2.51	0.25	-do-
d)	TBABR, Mamallapuram	0.91	100%	6.80	0.68	-do-
e)	Hotel Madurai Ashok	0.77	100%	5.48	0.55	-do-
f)	Hotel Bangalore Ashok	0.96	Manage-ment lease	39.41 (upfront fee); (4.11-MGAP)	3.94+2.06	-do-
g)	Qutab Hotel	0.91	100%	35.67	3.58+0.4	-do-
h)	Lodhi Hotel	1.04	100%	76.22	7.62+1.4	-do-
i)	Laxmi Vilas Palace, Udaipur	0.60	100%	7.52	0.75	-do-
	SUB-TOTAL	7.71		179.55**	21.82^	NIL

* ITDC's total paid up equity is Rs. 67.52 cr. The allocated equity for the 9 properties sold was Rs. 7.71 crore

\# for the latest years

^ including MGAP and lease Rentals

** received / expected.

4. Advertisement inviting Expressions of interest (EOIs) has been issued on 1st January 2002 for the following 9 hotels:—

(i) Kovalam Ashok Beach Resort, Kovalam

(ii) Hotel Airport Ashok, Kolkata

(iii) Hotel Jaipur Ashok, Jaipur

(iv) Hotel Pataliputra Ashok, Patna

(v) Hotel Kalinga Ashok, Bhubaneshwar

(vi) Hotel Jammu Ashok, Jammu

(vii) Hotel Khajuraho Ashok, Khajuraho

(viii) Hotel Aurangabad Ashok, Aurangabad

(ix) Hotel Manali Ashok, Manali (carried over from the 1st tranche)

Participation of Companies in disinvestment Process

†324. SHRI JANESHWAR MISHRA: Will the Minister of DISINVESTMENT be pleased to state:

(a) whether it is a fact that entire procedure of disinvestment is in limbo let alone the achievement of target set for disinvestment;

(b) if so, the details thereof;

(c) whether it is also a fact that foreign companies as well as other companies interested in disinvestment are trying to avoid consistently to participate in the process of disinvestment in India; and

(d) if so, the reasons therefor?

THE MINISTER OF DISINVESTMENT (SHRI ARUN SHOURIE): (a) No, Sir. In fact, the process of disinvestment has gained momentum.

(b) The amount realised and expected to be realised by 31-3-2002, based on decisions taken so far (including dividend, special dividend, dividend tax, transfer from surplus cash reserves and lease rent etc.), is of the order of, Rs. 5,724.50 crore, as against the target of Rs. 12,000 crore during the year 2001-02. Some more transactions are expected to take place before March, 2002.

(c) No, Sir.

(d) Does not arise.

†Original notice of the question was received in Hindi.